



October 4, 2018

Members of the Energy Policy Committee
Michigan House of Representatives

Dear Mr. Chair and Members of the House Energy Policy Committee:

Thank you for the opportunity to express Oakland and Wayne counties' opposition to Senate Bill 637, which would impose a statewide fee structure capping what local governments can charge telecommunications companies to deploy small cell wireless technology on government-owned infrastructure in the public rights-of-way.

First, let's be very clear, Oakland and Wayne counties do not want to ban small cell companies from the right-of-ways. We recognize and support the general purpose of streamlining access and utility rights-of-way in order to accelerate the deployment of emerging technologies. However, we strongly oppose Senate Bill 637 because it removes local municipalities' authority to set annual rates, permits and zoning fees. It locks in rent controls of what is expected to be a lucrative technology in the interest of private sector companies well before the market has been set. All we are asking for is municipalities to be able to negotiate rates based on market value rather than cede preset rates to private sector companies.

Our concerns are further compounded by the fact that the proliferation of small cell technology is in its nascent stages, and it is difficult to predict the related administrative and maintenance costs. We are confident that the capped rates proposed by Senate Bill 637 will be much lower than the ultimate costs incurred by local governments in hosting small cell technologies. Road agencies or public service departments, for instance, will be forced to supplement those costs with other taxpayer dollars that would be better used paving our roads or rebuilding our bridges.

Currently, Oakland County is already under contract with a company called Neo Networks, to negotiate agreements between the County and the service provider that are far surpassing the fees allowed in this legislation. Wayne County is negotiating a contract with Neo Networks and expects to receive a commercially reasonable rate near \$1,500 annually for each small cell installation. Passage of this legislation will be taking revenue the counties are set to receive through this contract and redistributing it to corporations already poised to profit of this new technology. What is worse is the aforementioned strain expected on existing revenues. That is unconscionable, particularly given the current restraints already in place in Michigan's broken municipal finance system.

Ultimately, this legislation equates to a massive giveaway of taxpayer-funded infrastructure to multi-billion dollar companies for pennies on the dollars and is not in the best interest of those we represent. Given these realities, we ask that you reject Senate Bill 637 and allow municipalities to negotiate their own rates.

We appreciate your consideration of this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Warren C. Evans".

Warren C. Evans
Wayne County Executive

Sincerely,

A handwritten signature in black ink, appearing to read "L. Brooks Patterson".

L. Brooks Patterson
Oakland County Executive